

Fresno, California

June 16, 2011

The City Council met in regular session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written.

Present:	Oliver Baines III	Councilmember
	Andreas Borgeas	Councilmember
	Clinton Olivier	Acting Council President
	Sal Quintero	Councilmember
	Blong Xiong	Councilmember
	Larry Westerlund	Councilmember
	Lee Brand	Council President

Mark Scott, City Manager
Bruce Rudd, Assistant City Manager
Jim Sanchez, City Attorney
Becky Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

Pastor Mike Bohr of Riverpark Bible Church gave the invocation and President Brand led the Pledge of Allegiance.

APPROVE MINUTES OF JUNE 9, 2011

On motion of Councilmember Xiong, seconded by Councilmember Quintero, duly carried, RESOLVED, the minutes of June 9, 2011, approved as submitted.

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COUNCIL MEMBER REPORTS AND COMMENTS:

Councilmember Xiong (1) questioned the status of the mobile vendor issue, with City Manager Scott stating the draft was out and he would see where it was and bring it before Council; and (2) requested a community meeting with staff be held on the Council redistricting issue as some Tower residents had questions/concerns about the Tower District being divided out, and spoke to the one letter received on the issue, with Mr. Scott responding.

Councilmember Westerlund (1) advised yesterday the California Legislature approved SBs 14 and 15 with SB 14 eliminating redevelopment agencies, stated RDAs could be reconstituted if they pay their proportionate rate of the \$1.7 bill that cities supposedly have somewhere, and elaborated further on the issue stating the California Redevelopment Agency was preparing their legal challenges and he would keep Council posted; and (2) reported on his trip last week to Sister City Muenster, Germany stating it was a great trip, the people were very kind and no city dollars were used.

Councilmember Quintero (1) advised, relative to Interim DARM Director Scott's request that Council provide comments/concerns on the redistricting issue to him, that he spoke with ACM Rudd last week and shared his issues; (2) thanked PARCS staff and spoke to the successful first-ever "Mosqueda Idol" contest stating it was a great event, and added Councilmember Baines attended and the kids from southeast called for an "Idol-off" with west Fresno and that would be forthcoming; and (3) advised this weekend a national BMX tournament would be held at Mosqueda which was advertised nationwide, and thanked PARCS staff for their work on the event.

Councilmember Baines (1) invited everyone to the Juneteenth celebration at the Hinton Center this Saturday; and (2) also spoke to "Mosqueda Idol" stating it was a great event, his family had a great time, and confirmed he was formally challenged by the Mosqueda Center to have a West Fresno Idol and stated it was on.

Acting President Olivier reported on his 2nd Blackstone Business Owner's Summit that was held on the major problem of prostitution on Blackstone in the heart of the city, and elaborated further on the issue/problem, its impact on businesses and tourism, and the need to do something to help the businesses.

President Brand (1) advised he attended Clovis Unified's 50th anniversary celebration last Saturday adding 90% of his district was in the CUSD; and (2) reminded Council of the 5:30 p.m. public comment session this evening on the FY 2012 budget, added Council budget deliberations would begin on Monday at 8:30 a.m., and suggested the Redevelopment Agency make their budget presentation first thing Monday, with Agency Chair Westerlund responding.

APPROVE AGENDA:

COUNCIL COMMUNICATIONS AND ASSIGNMENTS ON BOARDS AND COMMISSIONS:

City Clerk Klisch advised Councilmember Borgeas was the alternate on COG, not Councilmember Xiong; and Councilmember Baines advised he was appointed to the Fresno Regional Workforce Investment Board but President Brand was still listed. President Brand stated clarifications/corrections could be made later when Council addresses the item.

(9:00 a.m. 'I') ACTIONS RELATING TO SEWER REHABILITATION IN CHESTNUT AVENUE AND CAPACITY ENHANCEMENTS IN THE HERNDON AVENUE PROJECT

#1 ADOPT FINDING OF CLASS 1 AND 2 CATEGORICAL EXEMPTIONS PURSUANT TO CEQA (EXISTING FACILITIES AND REPLACEMENT OR RECONSTRUCTION) FOR THE CHESTNUT AVENUE SEWER REHABILITATION PROJECT

#2 ADOPT FINDING OF STATUTORY EXEMPTIONS PURSUANT TO CEQA (INSTALLATION OF NEW PIPELINE OR MAINTENANCE, REPAIR, RESTORATION, REMOVAL, OR DEMOLITION OF EXISTING PIPELINE AS LONG AS THE PROJECT DOES NOT EXCEED ONE MILE IN LENGTH) FOR THE CAPACITY ENHANCEMENTS IN HERNDON AVENUE

#3 RESOLUTION - 101ST AMENDMENT TO AAR 2010-138 APPROPRIATING \$1,380,900 FOR THE CHESTNUT AND HERNDON AVENUE PROJECTS

#4 AWARD A CONTRACT FOR THE PROJECTS TO INSITUFORM TECHNOLOGIES, INC., IN THE AMOUNT OF \$1,366,875

Moved to 1:30 p.m. at the request of staff (and subsequently removed from the agenda). Councilmember Baines left the meeting briefly at 8:56 a.m.

On motion of Councilmember Westerlund, seconded by Councilmember Xiong, duly carried, RESOLVED, the **AGENDA** hereby approved, as amended, by the following vote:

Ayes	:	Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	Baines

ADOPT CONSENT CALENDAR:

Councilmember Westerlund pulled Item **1-B** from the Consent Calendar for separate discussion/action.

(1-A) RESOLUTION NO. 2011-117 - AUTHORIZING THE CITY'S PARTICIPATION AS A SUB-RECIPIENT OF A \$297,000 GRANT FROM CALTRANS WITH THE COUNTY OF FRESNO, THE COUNCIL OF FRESNO COUNTY GOVERNMENTS (COG) AND THE FIG GARDEN HOMEOWNERS ASSOCIATION FOR THE "OLD FIG GARDEN COMMUNITY TRANSPORTATION AND LAND USE PLAN"

(1-C) AWARD A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$60,000 AND A \$10,000 CONTINGENCY TO MOORE TWINING, INC., FOR MATERIALS TESTING AND SPECIAL INSPECTION DURING THE CONSTRUCTION OF THE DEWATERING FACILITY UPGRADE PROJECT AT THE FRESNO-CLOVIS REGIONAL WASTEWATER RECLAMATION FACILITY

(1-D) ADOPT FINDINGS OF STATUTORY EXEMPTION AND NO POSSIBILITY OF SIGNIFICANT EFFECT PURSUANT TO CEQA FOR THE INSTALLATION OF A 24-INCH RAW WATER PIPELINE INITIALIZING NEAR THE GOULD CANAL AND TEMPERANCE AVENUE TO ITS TERMINUS AT THE T-3 SURFACE WATER TREATMENT FACILITY LOCATED AT THE INTERSECTION OF DAKOTA AND APRICOT AVENUES

#1 APPROVE THE 1ST AMENDMENT TO THE RESTATED SUBDIVISION AGREEMENT FOR THE FINAL MAP OF TRACT NO. 5461 TO REIMBURSE UCP MONTECITO LLC AN AMOUNT NTE \$384,520 FOR THE DESIGN AND CONSTRUCTION OF THE 24-INCH RAW WATER PIPELINE

(1-E) APPROVE AN AGREEMENT WITH THE FRESNO CONVENTION & VISITOR'S BUREAU (CVB) FOR IMPLEMENTATION OF THE TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) MANAGEMENT DISTRICT PLAN

On motion of Councilmember Xiong, seconded by President Brand, duly carried, RESOLVED, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes	:	Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	Baines

Councilmember Baines returned to the meeting at 8:59 a.m.

CONTESTED CONSENT CALENDAR:

(1-B) RESOLUTION NO. 2011-118 - AUTHORIZING THE EXTENSION OF SALARY DIFFERENTIAL AND THE CITY-PAID PORTION OF HEALTH AND WELFARE CONTRIBUTION BENEFITS, AND CONTINUING LEAVE ACCRUALS FOR PERMANENT EMPLOYEES DURING MILITARY DEPLOYMENTS IN EXCESS OF THIRTY-ONE (31) DAYS

Councilmember Westerlund stated he supported the salary differential but had a concern with the City continuing to pay for health insurance premiums even though Tri Care, which is offered by the military, covers the employee as well as the employee's dependents 100%, with Personnel Services Director Bond and ACM Rudd explaining the City pays for the employee only coverage for the H&W Trust (and not dependents) and that was part of the MOUs. Councilmember Westerlund also expressed concern with employees continuing to accrue leave as if they were still here which he stated was way too generous, with City Manager Scott stating that may be something to look at in the future and added he felt that provision had a lot to do with the strong support for those serving in the military. Councilmember Westerlund stated he appreciated the sentiment but employees should not expect to get a windfall and suggested the policy be revised when the number of deployed employees gets down to zero.

On motion of President Brand, seconded by Councilmember Baines, duly carried, RESOLVED, the above entitled Resolution No. 2011-118 hereby adopted, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	None

(9:00 a.m. 'A') AUTHORIZE INTERIM ACTIONS RELATING TO THE SALE OF CERTAIN FYI-OWNED SEPARATE PROPERTIES TO CALTRANS AND THE FRESNO METROPOLITAN FLOOD CONTROL DISTRICT, WITH STAFF TO RETURN TO COUNCIL FOR FINAL SALE APPROVAL

Airports Planning Manager Meikle reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Bob VanWyck with the FMFCD spoke in support and requested Council's support.

Councilmember Westerlund stated it took 14 years to conclude this and upon his questions Mr. Meikle stated this was pretty straight-forward and this was not noted as part of the FAA audit and explained. Councilmember Westerlund requested staff provide him with a copy of the audit letter.

On motion of Councilmember Westerlund, seconded by President Brand, duly carried, RESOLVED, interim actions relating to the separate sale of FYI-owned properties to the State of California, Department of Transportation (Caltrans), and the Fresno Metropolitan Flood Control District (FMFCD) hereby authorized, with staff to return to Council for final sale approval, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	None

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(9:00 a.m. 'B') AUTHORIZE A CONSULTANT AGREEMENT WITH HF&H CONSULTANTS LLC, TO PREPARE THE FINAL CONTRACTS FOR THE CREATION OF THE COMMERCIAL SOLID WASTE (CSW) FRANCHISE AND RELATED ISSUES, IN A TOTAL AMOUNT NTE \$75,000, AND AUTHORIZE THE DIRECTOR OF PUBLIC UTILITIES TO EXECUTE THE APPROPRIATE DOCUMENTS

Public Utilities Director Wiemiller reviewed the issue and recommended approval.

(2 – 0) President Brand noted there were probably some people working who wanted to speak to this issue and reminded all that a public session would be held at 5:30 p.m. wherein anyone could speak and added this was the first in a series of votes on the commercial solid waste issue.

James Ellison, 584 E. Portland, street maintenance employee and on behalf of deceased employee Tim Healy, spoke in opposition to privatization of commercial solid waste; Bridget Watkins, 4566 E. Dakota, spoke in support of privatization; Rene Ponce, 3110 W. Norwich, spoke in opposition; Roosevelt DeLeon, 3310 W. Alamos, solid waste employee, expressed concern with the solid waste division being called inefficient and spoke to the work and efforts of employees; Jan Minami, PBID Partners of Downtown Fresno, spoke in support of the franchise; James Marshall, 270 S. Temperance, spoke in opposition; and Jesse Liften spoke to the value of public service and the workers.

Councilmember Xiong questioned how this vote/action would affect the next steps in the process and Council's and the public's input on commercial waste (with President Brand explaining the process and stating this was first in a series of steps), stated privatization had not been decided yet and if the move was going to go towards privatization stressed Council should first have an open discussion and make a determination and then start the process, especially on such an important issue as this, and added doing things this way just adds to the rumors and accusations of back-room deals and he did not want to create more confusion and would not support this. Councilmember Borgeas stated this action was about allocating funds to the consultant to continue the work on the changes in the proposed franchising of commercial solid waste and added even though this was the first step/vote in the process this vote would most likely be the same that would reveal itself when Council later votes on the franchise. Councilmember Quintero agreed with Councilmembers Xiong and Borgeas that this was putting the cart before the horse and was a preview of the upcoming privatization vote, and upon his request for the city attorney's thoughts City Attorney Sanchez stated at issue this date was a consultant agreement which would provide staff and Council the benefit of information which would be the basis upon which Council may or may not decide to do a privatization of commercial solid waste, and clarified the vote here would not have a legally binding affect on any of the upcoming steps related to the franchise that will have to occur with the privatization.

Councilmember Westerlund made a motion to approve staff's recommendation and stated this was not confusing at all, stated this action of hiring the consultant was the first step to get work done and documents prepared for Council's final discussion and vote on the franchise, and elaborated further on the upcoming process, budget, and revenue needs to pay for vital services. The motion was seconded by President Brand.

Councilmember Baines concurred this was a procedural vote and that support here would be a preview of the upcoming vote on privatization; stated he had been pretty quiet on this issue, he had been working on budget solutions since last December, his goal was to hammer away at institutional inefficiencies, and despite all efforts there was still a \$5 million budget shortfall; stated there had been no information on the concessions that were asked for and it was now down to the wire; stated privatization was a big issue but the bigger picture to him was the closing of parks/decreasing public safety/reducing senior services and spoke to his district's issues and challenges; and stated he had an obligation to his constituent's needs and he would support the franchise as there was no better option or solution despite his efforts to find some.

Councilmember Quintero stated there was still a lot of process/discussion/motions to go through and he preferred to hold off on this to later in the day as other proposals may come forward; stated the mayor's two options were guidelines that were used to start off budget discussions and there was still a long way to go; and stated labor negotiations were going back and forth and there was no agreement yet and reiterated the need to wait until after the total discussion is held. With Mr. Sanchez stating it was permissible Councilmember Quintero made a procedural motion to continue this item to after the 5:30 p.m. public session. Councilmember

Westerlund **(3 – 0)** stated at issue was a \$75,000 consultant contract to move forward and not a vote on the franchise, stated if this is delayed people are going to talk about privatization and there would be at least 4 more votes to hear plenty of input on that, and requested Council vote on this now as nothing would be gained by putting it off. President Brand added the broader issue of the presumption of privatization would occur Monday morning as it was a \$2 million major component of the budget and also recommended the vote be taken now. Brief discussion ensued on the importance of public input and the motion was changed to hear the matter first thing at 5:30 p.m. with public input on the entire budget thereafter.

On motion of Councilmember Quintero, seconded by Councilmember Xiong, duly carried, RESOLVED, the subject Item 9:00 a.m. "B" continued to 5:30 p.m., by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	None

(9:00 a.m. 'C') APPROVE A 5-YEAR LEASE WITH THE MEUX HOME CORPORATION FOR OPERATION AND MAINTENANCE OF THE MEUX HOME MUSEUM LOCATED AT 1007 'R' STREET

Administrative Manager Melikian reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Robert Flynn, Meux Home Board President, spoke to the work that has been done on the home, advised the home was funded solely and primarily by donations and gifts, and stated they wanted to continue this relationship and urged Council's support.

Councilmember Westerlund stated he applauded and appreciated all the work that everyone does at the home, stated this lease was half a step in the right direction and spoke to the need to have funds for maintenance which the city does not have, stated there were a number of these leases/facilities and the city needed to rely more heavily on the non-profits to help, stated a sinking maintenance fund was needed for capital improvements and the non-profits needed to be asked to contribute into that fund and make that part of the lease, and stated with that concern he was not sure he could support this and the other leases coming forth. Mr. Melikian and ACM Rudd responded/clarified issues, spoke to other lease agreements and ongoing obligations put on the city, and explained the difference between this agreement/relationship with the Meux Home and someone like the Fresno Art Museum.

Councilmember Baines stated Mr. Rudd echoed his sentiment and he appreciated Councilmember Westerlund's perspective but in hard times like this stated he felt Council needed to support these relationships, and made a motion to approve the lease. Councilmember Xiong spoke to the need to support these unique situations for future contracts and relationships to assist the city.

Councilmember Westerlund stated he could support this if a provision was added for the Corporation to make monthly payments into a sinking fund in lieu of rent stating it seemed like that was being done already and further elaborated. Mr. Flynn stated the Board's intent was to help preserve/restore the house and address needs, no one drew a salary, and this was a downtown revitalization project that draws people from all over to the downtown area, spoke to their new program being implemented from marketing to strategizing events to new ways to do fundraising, and added they were on limited funds and it was contributions that keep the doors open and their love for the house that makes this work and challenged Council to visit and take a tour of the home. Councilmember Westerlund stated the focus of this lease was the building itself unlike some other leases that have different focuses, and again stated he would support this if a sinking fund provision was added.

Upon question of Councilmember Baines Councilmember Westerlund stated if dollars in the sinking fund are not sufficient to address a need the Board would have come to Council and ask for help, and upon further question Mr. Rudd stated if a provision is added as requested it would not prevent the City from still helping them out. Mr. Rudd advised the City asked the Board, and they were in the process of doing this, to develop a 5-year capital improvement plan and stated staff would ask them to contribute "X" amount of dollars into a fund to go towards funding projects included in that plan. Councilmember Baines amended his motion to approve the lease, with the addition of a sinking fund as recommended.

President Brand stated the Meux Home was a prominent landmark in Fresno but the City could not continue to do business as usual, and stated no amount was shown on what the City has spent and upon his questions Mr. Rudd stated the City had spent about \$30,000 over the last five years on the facility, and city employees do some of the work and some has been outsourced. President Brand spoke to the cost of major capital expenses and stated he would like to see details on their annual revenues, and suggested a certain percentage (10%.) of their revenues be set aside and go into the sinking fund adding it would be a set amount and would be adjustable depending on how much the home takes in and added that should not take away from the operation and maintenance. Brief discussion ensued and Mr. Rudd stated staff would make some language adjustments that would codify the goal with either a percentage or flat amount being included in the agreement with those dollars to be set aside to fund a 5-year capital plan that would become an attachment to the agreement. Councilmember Westerlund stated direction to staff was clear and stated if this is approved staff could just bring back the final language next week. Upon question of Councilmember Baines Mr. Rudd stated staff would work with the Meux Home Corporation on either a fixed amount or a percentage and return with that amendment specific to the funding of the 5-year capital plan.

On motion of Councilmember Baines, seconded by Councilmember Xiong, duly carried, RESOLVED, the subject lease hereby approved, as amended, (1) adding a provision for a sinking fund and (2) making language adjustments to codify the goal with either a percentage or flat amount to fund the 5-year capital plan, and staff to return with the final language in one week, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	None

(9:00 a.m. 'D') AUTHORIZE A 5-YEAR LEASE AGREEMENT, WITH AN AUTOMATIC 40-YEAR EXTENSION UPON SATISFACTORY COMPLETION OF LEASE TERMS, WITH THE DISCOVERY CENTER FOR OPERATION OF THE DISCOVERY CENTER AT 1937 N. WINERY AVENUE

ACM Rudd reviewed the issue and recommended approval, all as contained in the staff report as submitted. Councilmembers Borgeas and Baines left the meeting at 10:50 a.m. during the presentation.

Gary Pigg, Trustee/President of the Discovery Center, advised the Trustees voted unanimously in approval of this agreement and requested Council's support.

Mr. Rudd added for the record this lease would not create any new or substantial impacts and explained.

(4 – 0) Councilmember Westerlund stated this has been a long, long dispute and it was unfortunate that it was before Council this way as there were some other opportunities that would have made the organization better and stronger in terms of the relationship with Reedy Park, and upon his questions Mr. Pigg stated the original estimate was \$135,000 to reconstruct the old building, the Discovery Center was responsible for maintenance of the grassy area, and the grassy area would be open six days a week Monday through Saturday. Upon question of Councilmember Quintero Mr. Pigg stated there was no provision in the lease agreement for the City to maintain the park and the Discovery Center take care of maintenance and utilities. Councilmember Xiong stated he felt some of Councilmember Westerlund's frustration but stated he was glad to see that some resolution was reached and thanked staff for their work with the Trustees. Upon question of Councilmember Westerlund Mr. Rudd stated the City would have no obligation to repair anything for the building and added the Discovery Center also incurred the cost for water associated with Reedy Park.

On motion of Councilmember Xiong, seconded by Acting President Olivier, duly carried, RESOLVED, a 5-year lease agreement with the Discovery Center as outlined above, with the lease terms and conditions consistent and within the parameters set by Council in Closed Session on February 10, 2011, hereby approved, by the following vote:

Ayes	:	Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	Baines, Borgeas

(9:00 a.m. ‘E’) AUTHORIZE THE CITY MANAGER, OR DESGINEE, TO EXECUTE A 10-YEAR LEASE AGREEMENT WITH THE UNIVERSITY OF CALIFORNIA’S GARDEN OF THE SUN TO OPERATE PROGRAMMING ON A 1.2 ACRE SITE LOCATED ON THE SOUTHERN PORTION OF REEDY PARK

ACM Rudd stated this lease would codify an 18-year relationship with the Garden of the Sun and reviewed the issue, all as contained in the staff report as submitted.

Judy Parker, President of the UC of Fresno Master Gardeners, and Beth Teviotdale of Selma, Master Gardener and past president, both spoke in support of the issue and expanded further on the program and services offered. Councilmembers Borgeas and Baines returned to the meeting at 11:07 a.m. and 11:11 a.m. during speaker comments.

Mr. Rudd added for the record this lease would not create any new or substantial impacts and explained.

Councilmember Westerlund presented questions relative to number of master gardeners in the program, classes, responsibility for repairs and maintenance, if the City was responsible for ADA compliance, and who was responsible for water, with Ms. Parker and Mr. Rudd responding throughout. President Brand left the meeting at 11:13 a.m.

On motion of Councilmember Xiong, seconded by Councilmember Baines, duly carried, **RESOLVED**, the City Manager or designee authorized to execute a ten (10) year lease agreement with the University of California’s Garden of the Sun, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong
Noes	:	None
Absent	:	Brand

(10:30 A.M.) “BUS TRACKER” - A PROJECT OF THE kNow YOUTH MEDIA AND A TOOL TO PROVIDE CUSTOMER FEEDBACK REGARDING FAX SERVICE – COUNCILMEMBER BAINES

The kNow Youth Media Director Mai Der Vang and Health Media Coordinator Anna Jacobsen submitted written informational packets to Council and made an oral presentation on their project/purpose/goal and spoke briefly to the types of reports received and their communication with FAX. President Brand returned to the meeting during the presentation.

Councilmember Baines applauded Ms. Vang and Ms. Jacobsen for their efforts and for bringing these issues to Council’s attention. Ms. Vang displayed on the screen and explained the Bus Tracker Web Application. Councilmember Xiong also thanked and commended the presenters for their program and efforts. Councilmember Westerlund presented questions relative to input/who makes the reports/complaints, what controls were in place to ensure data is accurate, and if all FAX buses have GPS tracking, with Ms. Jacobsen and ACM Rudd responding. There was no further discussion.

(9:00 a.m. ‘F’) ACCEPT THE CITY OF FRESNO COMPREHENSIVE ANNUAL FINANCIAL REPORT (‘CAFR’) FOR FISCAL YEAR 2010

Assistant Controller Bradley gave an in-depth review of the 2010 CAFR ending June 30, 2010, all as contained in the staff report as submitted **(5 - 0)**.

Councilmember Westerlund commended Ms. Bradley for all her work on this, and upon his question City Manager Scott stated the CAFR was a financial health document and explained, stated he was increasingly comfortable with the recording and reporting of trends and added the progress he had seen was substantial, and stated he would go along with the recommendation from the external auditor to raise the level of reporting and explained. President Brand complimented staff for all their work.

On motion of President Brand, seconded by Councilmember Westerlund, duly carried, **RESOLVED**, the City of Fresno Comprehensive Annual Financial Report hereby accepted, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : None

LUNCH RECESS – 12:01 P.M. – 1:37 P.M.

(9:00 a.m. ‘G’) ACTIONS RELATING TO THE MILLBROOK, BELMONT AND WHITE AVENUES AND EIGHTH STREET SEWER IMPROVEMENT PROJECT

#1 ADOPT A FINDING OF CLASS 1 AND 4 CATEGORICAL EXEMPTIONS PURSUANT TO CEQA (EXISTING FACILITIES AND MINOR TRENCHING AND BACKFILLING) FOR THE SEWER PROJECT

#2 ADOPT FINDING OF STATUTORY EXEMPTIONS PURSUANT TO CEQA (INSTALLATION OF NEW PIPELINE OR MAINTENANCE, REPAIR, RESTORATION, REMOVAL, OR DEMOLITION OF EXISTING PIPELINE AS LONG AS THE PROJECT DOES NOT EXCEED ONE MILE IN LENGTH)

#3 RESOLUTION NO. 2011-119 - 102ND AMENDMENT TO AAR 2010-138 APPROPRIATING \$1,607,000 FOR THE SEWER IMPROVEMENTS

#4 AWARD A CONTRACT FOR THE PROJECT TO FLOYD JOHNSTON CONSTRUCTION COMPANY IN THE AMOUNT OF \$1,590,936

Assistant Public Utilities Director Hogg reviewed the issue and recommended approval, all as contained in the staff report as submitted.

On motion of Acting President Olivier, seconded by President Brand, duly carried, RESOLVED, the finding of Class 1 and 2 Categorical Exemptions and Statutory Exemptions hereby adopted, the above entitled Resolution No. 2011-119 hereby adopted, and a contract hereby awarded to Floyd Johnston Construction Company as recommended, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : None

(9:00 a.m. ‘H’) ACTIONS RELATING TO LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT (LLMD) NO. 1

#1 RESOLUTION NO. 2011-120 - INITIATING PROCEEDINGS FOR THE ANNUAL LEVY OF ASSESSMENT

#2 RESOLUTION NO. 2011-121 - INTENT TO LEVY AND COLLECT THE ANNUAL ASSESSMENT

President Brand announced the time had arrived to consider the issue and opened the hearing.

Assistant Public Works Director Krauter reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Upon call, no one wished to be heard and President Brand closed the hearing.

Mr. Krauter responded to questions of President Brand relative to whether the assessment/services were citywide, if the areas in LLMD #1 were generally northwest and northeast, if rates were frozen due to Proposition 218, if there had been a shortfall of dollars since the freeze, how much the level of service has been cut and if complaints have been received, and if new CFDs have a provision for rate increases.

On motion of President Brand, seconded by Councilmember Westerlund, duly carried, RESOLVED, the above entitled Resolution Nos. 2011-120 and 2011-121 hereby adopted, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : None

(9:00 a.m. 'I') ACTIONS RELATING TO SEWER REHABILITATION IN CHESTNUT AVENUE AND CAPACITY ENHANCEMENTS IN HERNDON AVENUE PROJECT

#1 ADOPT FINDING OF CLASS 1 AND 2 CATEGORICAL EXEMPTIONS PURSUANT TO CEQA (EXISTING FACILITIES AND REPLACEMENT OR RECONSTRUCTION) FOR THE CHESTNUT AVENUE SEWER REHABILITATION PROJECT

#2 ADOPT FINDING OF STATUTORY EXEMPTIONS PURSUANT TO CEQA (INSTALLATION OF NEW PIPELINE OR MAINTENANCE, REPAIR, RESTORATION, REMOVAL, OR DEMOLITION OF EXISTING PIPELINE AS LONG AS THE PROJECT DOES NOT EXCEED ONE MILE IN LENGTH) FOR THE CAPACITY ENHANCEMENTS IN HERNDON AVENUE

#3 RESOLUTION - 101ST AMENDMENT TO AAR 2010-138 APPROPRIATING \$1,380,900 FOR THE CHESTNUT AND HERNDON AVENUE PROJECTS

#4 AWARD A CONTRACT FOR THE PROJECTS TO INSITUFORM TECHNOLOGIES, INC., IN THE AMOUNT OF \$1,366,875

Removed from the agenda.

(9:00 a.m. 'J') ACTIONS RELATING TO THE INSTALLATION OF 8" AND 14" WATER MAINS, FIRE HYDRANTS, WATER SERVICES AND COMPLETE WATER SERVICE TRANSFERS IN TWO NEIGHBORHOODS BOUND BY (1) CHURCH, MAPLE, GROVE AND WINERY AVENUES, AND (2) CHURCH, CEDAR, GROVE AND BARTON AVENUES

#1 ADOPT FINDING OF A CLASS 2 CATEGORICAL EXEMPTION PURSUANT TO CEQA

#2 AWARD A CONTRACT FOR THE TWO PROJECTS TO WEST VALLEY CONSTRUCTION COMPANY IN THE AMOUNT OF \$2,153,354

Assistant Public Utilities Director Andersen reviewed the issue and recommended approval, all as contained in the staff report as submitted. Councilmember Quintero stated these were old neighborhoods with a long-time need for improvements and thanked staff and made a motion to approve, which motion was seconded by Acting President Olivier.

Upon questions of Councilmember Westerlund Mr. Andersen stated there was no proactive program for water mains like the sewer video process, there was no way to isolate mains to get into them to check for leaks/needed repairs, and needs were determined by age and water leaks. Councilmember Westerlund stated with the state of water mains/lines being unknown a system was needed to figure out how to determine/detect needs and problems.

On motion of Councilmember Quintero, seconded by Acting President Olivier, duly carried, **RESOLVED**, the finding of a Class 2 Categorical Exemption hereby adopted; a project contract awarded to West Valley Construction Company in the amount of \$2,153,354 for the base Bid plus Add Alternate 1; and the Public Works Director or designee authorized to sign the contract on behalf of the City, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	None

(10:00 A.M. #1) HEARING ON COMMUNITY FACILITIES DISTRICT (CFD) NO. 11, ANNEXATION NO. 43, TRACT NO. 5838 – COPPER RIVER RANCH DEVELOPMENT

#1 RESOLUTION NO. 2011- 122- ANNEXING TERRITORY AND AUTHORIZING THE LEVY OF A SPECIAL TAX

#2 RESOLUTION NO. 2011-123 - CALLING A SPECIAL MAILED-BALLOT ELECTION

#3 RESOLUTION NO 2011-124 - DECLARING ELECTION RESULTS

#4 BILL NO. B-19 - ORDINANCE NO. 2011-18 - LEVYING A SPECIAL TAX FOR PROPERTY TAX YEAR 2011-2012 AND FUTURE TAX YEARS

President Brand announced the time had arrived to consider the issue and opened the hearing.

City Engineer Mozier reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Upon call, no one wished to be heard and President Brand closed the hearing.

On motion of President Brand, seconded by Councilmember Quintero, duly carried, RESOLVED, the above entitled Resolution Nos. 2011-122, 2011-123 and 2011-124 hereby adopted, and the above entitled Bill No. B-19 adopted as Ordinance No. 2011-18, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : None

(10:00 A.M. #2) RESOLUTION NO. 2011-125 - APPROVING THE FINAL MAP OF TRACT NO. 5838, PHASE 1 OF VESTING TENTATIVE MAP NO. 5838, ACCEPTING DEDICATED PUBLIC USES THEREIN, AND AUTHORIZING THE PUBLIC WORKS DIRECTOR, PUBLIC UTILITIES DIRECTOR, FIRE CHIEF, AND THE DARM DIRECTOR TO EXECUTE THE SUBDIVISION AGREEMENT AND COVENANTS ON BEHALF OF THE CITY

Planner Bartel reviewed the issue and recommended approval, all as contained in the staff report as submitted. Acting President Olivier left the meeting at 1:54 p.m.

On motion of President Brand, seconded by Councilmember Quintero, duly carried, RESOLVED, the above entitled Resolution No. 2011-125 hereby adopted, by the following vote:

Ayes : Baines, Borgeas, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : Olivier

(10:15 A.M.) HEARING ON PLAN AMENDMENT APPLICATION NO. A-10-08, SPHERE OF INFLUENCE APPLICATION NO. SOI-10-01 AND RELATED ENVIRONMENTAL FINDING FOR E.A. NO. A-10-08/SOI-10-01, FILED BY DIRK POESCHEL LAND DEVELOPMENT, PROPERTY LOCATED ON THE SOUTH SIDE OF E. SHAW AVENUE WEST OF N. WINERY, ABUTTING THE STATE ROUTE 168 NORTHBOUND OFF-RAMP

#1 CONSIDER AND ADOPT THE ENVIRONMENTAL FINDING OF A MITIGATED NEGATIVE DECLARATION FOR THE SUBJECT E.A.

#2 RESOLUTION NO. 2011-126 - AMENDING THE 2025 FRESNO GENERAL PLAN AND HOOVER COMMUNITY PLAN

#3 RESOLUTION NO. 2011-127 - AMENDING THE CITY OF FRESNO SPHERE OF INFLUENCE BOUNDARY BY DETACHING THE SUBJECT PROPERTY FROM THE CITY OF FRESNO IN ORDER TO ALLOW FOR THE SITE'S ANNEXATION INTO THE CITY OF CLOVIS' SPHERE OF INFLUENCE

President Brand announced the time had arrived to consider the issue and opened the hearing.

Planner Emerson gave a PowerPoint presentation on the Plan Amendment and Sphere of Influence Applications which consisted of an Aerial Photo, Fresno/Clovis Boundary Map, Project Description, Area Map Exhibit, Aerial Photo of Future Cul-De-Sac, Rational for Supporting the Sphere of Influence Amendment, LAFCO Proceedings, Conditions, Recommendation to Approve With Modifications, Review of Four Modifications, and Addition of a 6th Condition Related to Noticing the Homeowner's Association on Any Future Proposals for the Property

Dirk Poeschel, 923 Van Ness, on behalf of the applicant, expanded further on the Winery vacation which bifurcated his client's property and on the need to annex the site into Clovis' Sphere of Influence; and **(6 – 0)**Hollie Jones, nearby property owner, requested Clovis be required to inform residents of Shaw Creek of any plans for the site.

Upon call, no one else wished to be heard and President Brand closed the hearing.

Councilmember Westerlund presented comments and questions relative to history of the site, the awkward site and support for annexation into Clovis' SOI, if the vacation down near Winery was off, the turn-around construction and location, precise location of the cul-de-sac, and the bike trail location, with Ms. Emerson, City Engineer Mozier and Mr. Poeschel responding throughout and clarifying issues. Councilmember Westerlund stated this was a good proposal with good conditions and made a motion to approve staff's recommendation.

On motion of Councilmember Westerlund, seconded by Councilmember Baines, duly carried, RESOLVED, the subject environmental finding hereby adopted, and the above entitled Resolution Nos. 2011-126 and 2011-127 hereby adopted, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : None

Councilmember Westerlund requested staff include on the agenda in the future the location of projects (as shown in the title above).

COUNCIL BOARD & COMMISSION COMMUNICATIONS AND ASSIGNMENTS:

#1 COUNCIL OF GOVERNMENTS (COG) - SWEARENGIN, BORGEAS-EX-OFFICIO/ALTERNATE
COUNCIL SUB-COMMITTEE TASK FORCE FOR WATER (WATER TASK FORCE/LIMITED AD HOC) - EXPIRED
FINANCIAL AUDIT COMMITTEE - BORGEAS, BRAND, XIONG
FRESNO AREA WORKFORCE INVESTMENT CORPORATION - BRAND
FRESNO COUNTY COUNCIL OF GOVERNMENT'S RAIL CONSOLIDATION COMMITTEE - SUSPENDED
FRESNO COUNTY TRANSPORTATION AUTHORITY (FCTA) - SWEARENGIN, BORGEAS
FRESNO REGIONAL WORKFORCE INVESTMENT BOARD - BRAND
FRESNO COUNTY ZOO AUTHORITY - SWEARENGIN, BAINES-ALTERNATE
FRESNO-MADERA AREA AGENCY ON AGING BOARD - OLIVIER
JOINT POWERS FINANCING AUTHORITY - BRAND
LEADERSHIP COUNCIL ON ENDING HOMELESSNESS – SWEARENGIN, BAINES, BRAND, WESTERLUND
PUBLIC SAFETY JOINT POWERS AUTHORITY – BRAND
SAN JOAQUIN RIVER CONSERVANCY BOARD - SWEARENGIN, WESTERLUND-ALTERNATE
THE ASSOCIATION FOR THE BEAUTIFICATION OF HIGHWAY 99 - BAINES
UPPER KINGS BASIN INTEGRATED REGIONAL WATER MANAGEMENT JPA - BORGEAS
PENSION REFORM TASK FORCE - BORGEAS, BRAND, XIONG

#2 ECONOMIC DEVELOPMENT CORPORATION SERVING FRESNO COUNTY – BORGEAS-EX-OFFICIO
LEAGUE OF CALIFORNIA CITIES (ANNUAL MEETING) – SWEARENGIN, XIONG-ALTERNATE

#3 CITY COUNCIL APPOINTMENTS, REAPPOINTMENTS, REMOVALS TO/FROM CITY AND NON-CITY BOARDS AND COMMISSIONS

President Brand made the following corrections: Councilmember Borgeas as COG alternate, not (as noted earlier by City Clerk Klisch) Councilmember Xiong; Councilmember Baines for the Fresno Area Workforce Investment Corporation, not President Brand; and Councilmember Baines for the Fresno Regional Workforce Investment Board, not President Brand. Upon President Brand's question Councilmember Westerlund stated there was no wish at this time to renew the Water Task Force.

Upon question of Councilmember Westerlund President Brand stated upon review by staff it was found the appointee to the Fresno Area Workforce Investment Corporation and the Workforce Investment Board did not have to be the Council President.

Councilmember Borgeas stated he was thinking about bringing forward an initiative in six months to reactivate the Water Task Force; and reported on COG stating high speed rail was discussed at the last meeting, there was more confusion than ever due to propositions changing every week, and everyone was anxiously awaiting the business model and projected ridership numbers; relative to the Financial Audit Committee stated discussions were anticipated on SEGA along with a joint meeting with the planning commission; relative to the Upper Kings Basin advised a name change was in the works to shorten it; and advised a meeting of the Pension Reform Task Force was coming up for their final product.

Councilmember Xiong stated at one time the Financial Audit Committee was tasked by Council to look at the reserve and try to resolve legal issues and upon his question City Attorney Sanchez stated Council would be provided with an update on the research conducted at the first meeting in July. Relative to the League of California Cities Councilmember Xiong stated he may attend their meeting in late July but would have to see about scheduling due to that meeting also being held on a Thursday.

Councilmember Westerlund reported on the San Joaquin River Conservancy Board and his request for the Board to look at Fresno County's Friant Ranch project in terms of impacts on the San Joaquin River, as well as the Eaton Trail West project based on citizen's concerns.

Councilmember Baines stated he does not attend meetings of the Zoo Authority as an alternate but stated everyone was aware the EIR was coming up soon; and advised he attended his first meeting of the Workforce Investment Board and was appointed to their Youth Council. Councilmember Baines stated he did not remember accepting the appointment to the Association for the Beautification of Highway 99, with President Brand stating that appointment was bestowed upon him.

President Brand reported the Pension Reform Task Force would have one more meeting and a detailed report would be brought forth; relative to the Public Safety JPA stated some dust has been stirring up, Councilmember Baines had been engaged in some conversations with county staff, and he spoke with County Chair Larson and plans were being made for a joint Council/Supervisor meeting sometime in October on consolidation. There were no further reports or discussion.

RECESS – 2:31 P.M. – 2:40 P.M.

CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL:

(‘A’) ANTICIPATED LITIGATION/SIGNIFICANT EXPOSURE TO LITIGATION – CASE NAMES:

#1 COF V. FARE LOGISTICS CORPORATION, A BRITISH COLUMBIA CANADA CORPORATION

#2 SER-JOBS FOR PROGRESS, INC., LAS CASISTAS DE SER RET. VILLAGE V. COF

(‘B’) EXISTING LITIGATION – CASE NAME: AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA, ET AL., V. COF, JERRY DYER, ET AL.

The City Council met in closed session in Room 2125 at the hour 2:40 p.m. to consider the above matters.

RECESS – 3:50 P.M. - 5:34 P.M.

(5:30 P.M.) PUBLIC COMMENT REGARDING THE FISCAL YEAR 2011-2012 CITY OF FRESNO BUDGET

~and~

(9:00 a.m. ‘B’) AUTHORIZE A CONSULTANT AGREEMENT WITH HF&H CONSULTANTS LLC, TO PREPARE THE FINAL CONTRACTS FOR THE CREATION OF THE COMMERCIAL SOLID WASTE (CSW) FRANCHISE AND RELATED ISSUES, IN A TOTAL AMOUNT NTE \$75,000, AND AUTHORIZE THE DIRECTOR OF PUBLIC UTILITIES TO EXECUTE THE APPROPRIATE DOCUMENTS (Continued from earlier in the meeting)

President Brand advised those in attendance that Item 9:00 a.m. “B” was carried over from earlier in the meeting to allow for public input and stated after action is taken on that item the general public session would be held on anything related to the budget.

Public Utilities Director Wiemiller reviewed Item 9:00 a.m. ‘B’ and recommended approval.

Speaking to the issue were: Joseph Hill, 72 E. Whittier Avenue, Clovis, opposed to privatization of commercial solid waste; Al Smith, CEO of the Greater Fresno Area Chamber of Commerce, and also on behalf of the Hispanic Chamber of Commerce, support for privatization; Nancy Waidtlow, 804 E. Fedora, opposed; Jan Minami, PBID Partners of Downtown Fresno, support; Daniel Santos, 266 Vermont, Dinuba, opposed; Tate Hill, President of the Fresno Metro Black Chamber of Commerce, support; and David Calhoun, opposed.

Councilmember Xiong stated discussion had moved beyond the subject consultant contract to the privatization issue and questioned how broad his comments could be, with **(7 – 0)** City Attorney Sanchez stating the franchise was an assumption in the Mayor's proposed budget, some members already commented in this discussion that they supported approval of the contract because there were no other budget options available, because of that members were free to deliberate those kinds of issues in relationship to this action, and clarified the ultimate action had to be related to this item but the deliberation in terms of issues as to why a member would or would not be approve the action was open to council deliberation.

Councilmember Xiong spoke to council comments about limited or no options except for the two proposed by the mayor, requested some leeway and advised Councilmember Quintero would begin this process due to his budget history surpassing many members of council combined, and stated he would then finish up with a discussion about options. Councilmember Quintero thanked everyone for being here, stated this was the 19th city budget he had worked on and there had never been a more challenging time, also spoke to the two options and comments made that no other options were being presented and stated at the end of the day he and Councilmember Xiong had explored and looked for a different option with the focus being on protecting the core services of the city, and advised he and Councilmember Xiong came up with a third option titled "Protecting the Core Services Option" that would be presented today and thanked Councilmember Xiong and their office staff for all the hard work that went into this. Councilmember Xiong stated he was surprised a decision had already been made and the budget process had not been completed, whereupon President Brand stated discussion was taking a really wide course and he felt this discussion was more relevant for Monday when budget motions would be made. Mr. Sanchez stated ultimately the questions and comments raised by council about options and why they were moving forward in this direction were put on the table as part of the debate for their vote, confirmed this was the first step towards moving forward towards privatization, and stated for those reasons it was his recommendation that latitude be given to allow those comments to be aired. Councilmember Xiong continued and stated because of comments about the lack of options members said privatization had to be the solution, expressed concern that important decisions were already being made, spoke to comments made that everything was explored, every rock was turned and elaborated further, stated there was \$20 million in reserve from a settlement the city received and questioned why the city was not tapping into that and why that reserve was off the table stressing it was ratepayer's money, expanded on and explained his proposal at length to borrow from the \$9 million in the commercial solid waste reserve to cover the \$6 million gap to retain jobs and services, and again expressed concern with taking action before all options had been presented, reiterated everything was not looked at, and stated he felt it was important to put this option out there.

Councilmember Borgeas thanked everyone for their interest and input on this important matter and stated it was equally important for Council to make certain they look at the interest of the entire city when they make their decisions on a particular issue, and spoke to the issue stating every rock was turned and everything was looked at months ago, the definition of a "core service" was refined at every single budget cycle, all could agree that safe streets and an operating fire station constituted a core service but stated as difficult and painful as it was commercial solid waste was something that was eligible to be provided through an outside source even though some may not want that to happen, stressed there was no choice, choices were gone, and he did not see any choices coming back in the next week, stated since the first vote on the franchise the city's economic situation had not gotten better but had gotten worse, stated he had been here long enough to see that there was no Option C, he didn't know what *Protecting the Core Services Option* was, and challenged Councilmembers Xiong and Quintero to bring forward with real specificity and detail what that option might be but stated from the bottom of his heart he did not see where the dollars were, and presented questions relative to the commercial solid waste reserve of \$9 million, if the commercial solid waste department was an enterprise department, and if there was a way to transfer that \$9 million reserve from enterprise into the general fund for a general fund liability, with ACM Rudd responding. Mr. Sanchez confirmed municipally-owned utility funds could not be used for general fund benefit but also advised there had been instances where there had been loans extended from enterprise funds for specific purposes with repayments and interest to make the utility fund whole, and upon further question stated it would have to be in a form of a loan as enterprise could not gift the general fund these dollars. City Manager Scott clarified the terms under which such a loan would be made also had to be looked at as the funds could not simply be borrowed, and added an agreement and a period of time under which the loan would be repaid was needed along with an identified and relatively secure revenue source from which to repay that debt. Councilmember Borgeas stated this was the first of five votes and clarified if this contract is approved it would stand to reason that the remaining votes would be the same, reiterated he did not think there were any other feasible options, and stated he did not want to do this as it did not feel good to take people out of their public service setting and put them into a different environment but he felt this would ultimately serve the larger city and its interest.

Councilmember Westerlund stated unfortunately there had been discussion, with all due deference and respect to Councilmember Xiong, of a supposedly third option which he stated was not an option at all, stated what Councilmember Xiong proposed was looked at and talked about 1½ years ago during budget discussions, stated the reason this was not really an option was because a revenue stream was needed to repay the loan (if a loan was possible) and stressed there was no revenue stream, and emphasized every single rock had been turned and further elaborated, and stated his motion to approve the consultant contract (seconded by President Brand) was still pending.

Acting President Olivier spoke to the employees and their families stating he had nothing political to say and just wanted to communicate that he respected the employees and knew they all worked hard and had won awards for the city, clarified he never said that he did not support privatization and always said he supported it but it had to be the best to protect the ratepayers, stated this proposal changed to put the city on a road to open privatization where all could compete and added although that was not part of this discussion one day it would be and that was why he was lending his support to this proposal, and stated he ran for this office to help people in the community and do the best job possible, he did not run for office to dismantle a great city or lay off employees, and he was doing what he felt was right in his heart.

Councilmember Xiong stated he thought he spoke clearly earlier, stated this Council, as a body, could direct staff to look at that pot of money (CSW reserve), identify a repayment source, and come back with some possible solution, **(8 – 0)** spoke to the importance of the public being able to listen to Council’s ideas/discussion/disagreements, expressed concern with the statement that the city was drowning and with Council grabbing onto the first branch, stated he could not look employee in the eye and ask for 3% stating if given they could be fired in two weeks and stressed it made no sense and questioned how that could work without equity between the city and employees, and stated it was Council’s responsibility to get out of this situation—not the residents, elaborating throughout.

Councilmember Baines thanked Councilmembers Xiong and Quintero for bringing forth an idea and a solution stating that was not an easy thing to do, stated he also believed there were more than the two options but the viability of other options was what he was interested in, and presented questions and comments relative to the proposal, if this was one-time money, if several options were tied to the proposal, concern with one-time money as the next fiscal year may be worse, and loan terms, with Councilmember Xiong responding throughout. Mr. Sanchez stated there were ongoing labor negotiations with some bargaining units and in terms of specific detail that would have an impact on that stated that discussion should occur in closed session where Council would be able to talk about those bargaining positions as that discussion in a public context could be viewed as an unfair labor practice. Discussion continued among Councilmembers Baines and Xiong and Mr. Sanchez on the lack of information at this time on the loan proposal, the discussion now being broader than the franchise with a proposal being brought forth, the need for broader discussion as it could impact votes, need for more information on employee concessions, and the need for structural solutions and efficiencies.

Councilmember Quintero thanked everyone for their patience and stated he appreciated the comments of his colleagues, and asked everyone to keep an open mind, take the time, and take a hard look at the other option that will be presented stating it deserved to be given a chance to see what can be done to take care of seniors and all residents.

President Brand stated he respected Councilmember Xiong as a friend but he had to disagree with him on his proposal, stated the Reserve Management Act prohibited deficit financing and that was exactly what would be done here and added you could not borrow from an enterprise fund without a clear revenue stream for repayment, and stated realistic assumptions were needed, he was really sorry to be here today and for everyone having to come back to this issue, and stated there were major differences between the January proposal and the revised proposal, elaborating on his comments throughout.

On motion of Councilmember Westerlund, seconded by President Brand, duly carried, RESOLVED, a consultant agreement with HF&H Consultants LLC, to prepare the final contracts for the creation of the franchise of Commercial Solid Waste and related issues, not to exceed a total of \$75,000, hereby approved, and the Director of Public Utilities authorized to execute the appropriate documents, subject to City Attorney approval as to form, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Westerlund, Brand
Noes	:	Quintero, Xiong
Absent	:	None

RECESS – 7:13 P.M. – 7:35 P.M.

(5:30 P.M.) PUBLIC COMMENT REGARDING THE FISCAL YEAR 2011-2012 CITY OF FRESNO BUDGET

Paul Hurlbut, 3142 W. Bellaire, spoke in opposition to any cuts/reductions in the Fire Department; Rene Ponce, 3110 W. Norwich, spoke as a ratepayer in opposition to graffiti fee and fire hydrant inspection fee stating they were illegal charges and asked that they be removed; Charlie Waters stated the veterans would be asking for Council help with the Veterans Home and spoke to the hard economic times and to the need for ask citizens to volunteer for city services where they can help; Sheila Krebs, 4116 N. Cornelia, spoke in opposition to closing fire stations; Sherry Smith, 4724 W. Swift, spoke in opposition to closing fire stations; George Murillo, 4335 E. Union, spoke in opposition to eliminating the senior hot meal program and closing senior centers **(9 – 0)**; Ron Griffin, 4559 E. Simpson, spoke in support of and to the need for senior centers; Karen Rainwater, 1240 Broadway Plaza, spoke in opposition to eliminating senior meals at Masten Towers; Monica (last name inaudible), Building Healthy Communities Manager, 2115 Kern Street, spoke in support of evening meetings and requested that they continue; Eric Payne, 1127 E. Annadale, support for funding for parks; Dave Calhoun, expressed concern with voting on a budget based on assumptions and made recommendations on various city services/facilities/programs/work for cost savings; Jose Luis Barraza, 4243 E. Thomas, spoke to the need to make parks a priority for our youth; and an unidentified man/city employee, spoke to the need for everyone to work together to find solutions.

Upon call, no one else wished to be heard and there was no further discussion.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 8:10 p.m. having arrived and hearing no objection, President Brand declared the meeting adjourned.

Approved on the ____23rd____ day of ____June____, 2011.

_____/s/_____
Lee Brand, Council President

ATTEST:_____/s/_____
Yolanda Salazar, Assistant City Clerk